

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:2281  
ANSWERED ON:03.08.2015  
Production Cost of Petroleum Products  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) the details of per barrel refining cost of different oil products;
- (b) the basis on which per litre production cost of petrol and diesel is estimated;
- (c) whether the production cost with regard to different oil products is higher in the public sector oil refineries in comparison to the private sector oil refineries and if so, the details thereof along with the steps taken by the Government to reduce the cost of production;
- (d) the rate on which the upstream companies including Oil and Gas Corporation of India Limited (ONGC) sells crude oil to oil refineries; and
- (e) if so, the rate of crude oil sold to various oil refineries during the last three years and the reasons for wide gap between the price of crude oil and refined oil?
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**Answer**

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI DHARMENDRA PRADHAN)

(a) to (e): Refining of crude oil is a process industry, where crude oil constitutes around 90% of the total cost. Crude oil is processed through several processing units. Each of these units produces intermediate products streams, which require further reprocessing and blending. As it is difficult to apportion the total cost amongst individual refined products, product-wise costs are not identified separately.

The price of crude oil sold by Oil and Natural Gas Corporation Limited (ONGC) & Oil India Limited (OIL) to the Public Sector Oil Marketing Companies (OMCs) during the last three years is as under:

Year	Company	Gross prices	Discount to OMCs for partial compensation of under-recovery*
2012-13	ONGC	110.99	56.00
	OIL	109.51	56.00
2013-14	ONGC	106.73	58.61
	OIL	106.25	58.90
2014-15	ONGC	85.80	37.12
	OIL	85.45	37.31

\* Discount is applicable on production from nominated field of ONGC and OIL.

x-x-x-x-x

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